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ORDER NO. 1713

UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Before Commissioners: Ruth Y. Goldway, Chairman;

Robert G. Taub, Vice Chairman;

Mark Acton;

Tony Hammond; and Nanci E. Langley

Express Mail and Express Mail International Name Change

Docket No. MC2013-45

ORDER APPROVING MINOR CLASSIFICATION CHANGE

(Issued May 13, 2013)

I. INTRODUCTION

On April 24, 2013, the Postal Service filed a notice pursuant to 39 C.F.R. §§ 3020.90 and 3020.91 concerning minor classification changes to Express Mail and Express Mail International.¹ For the reasons stated below, the Commission approves the proposed changes.

II. PROPOSAL

The Postal Service proposes to amend the Mail Classification Schedule (MCS) in three ways. It proposes to change the name of Express Mail and Express Mail

¹ Notice of the United States Postal Service of Minor Classification Change, April 24, 2013 (Notice).

International to Priority Mail Express and Priority Mail Express International, respectively. *Id.* at 1. It also proposes to change the name of Express Mail Corporate Account (EMCA) to USPS Corporate Account (USPSCA). *Id.* at 2. The Postal Service indicates that it hopes to refresh the public's awareness of, and to reinvigorate, Express Mail, its fastest mailing/shipping service, by leveraging the widespread recognition of, and positive associations with, the Priority Mail brand. *Id.* at 1-2. The Postal Service states that the proposed name changes would have the added benefit of consolidating most of the Postal Service's shipping products under a single brand identity. *Id.* at 2.

The proposed changes are scheduled to take effect on July 28, 2013. *Id* at 1. To accommodate customers' mailing systems, the Postal Service will allow mailers to continue to use the Express Mail and Express Mail International names and packaging "until their existing supplies are exhausted." The Postal Service did not provide draft MCS language for the proposed changes with the Notice, as it customarily does.

On April 25, 2013, the Commission issued an order establishing the present docket, appointing a Public Representative, providing interested persons with an opportunity to comment, and requesting that the Postal Service provide draft MCS language for the proposed changes.³ On May 2, 2013, the Postal Service filed draft MCS language for the proposed changes.⁴

III. COMMENTS

Comments were filed by the Public Representative.⁵ No other interested person submitted comments. In her comments, the Public Representative states that the proposed changes are minor in nature, appropriately brought pursuant to 39 C.F.R.

² United States Postal Service Notice of Errata to Notice of Minor Classification Change, May 7, 2013.

³ Order No. 1704, Notice and Order Concerning Minor Classification Change Related to Express Mail and Express Mail International, April 25, 2013.

⁴ Response of the United States Postal Service to Order No. 1704, May 2, 2013.

⁵ Public Representative Comments on Postal Service Notice of Minor Classification Change, May 7, 2013 (PR Comments).

§§ 3020.90 and 3020.91, and consistent with 39 U.S.C. § 3642. PR Comments at 2, 3. However, she also contends that the Postal Service's stated goal of reinvigorating Express Mail by leveraging the Priority Mail brand is not adequately supported, *e.g.*, through market research. *Id.* at 2. She also observes that the Postal Service provides no information on the costs relating to the proposed change, *e.g.*, packaging design and advertising costs to educate customers about the renaming. *Id.* at 3.

IV. COMMISSION ANALYSIS

The Postal Service filed the proposed changes pursuant to 39 C.F.R. §§ 3020.90 and 3020.91, which require the Postal Service to submit corrections to the MCS to assure that the product descriptions accurately represent current product and service offerings. Notice filings brought pursuant to these rules are appropriate when the proposed changes in the MCS are relatively minor in nature and do not entail modifying either the market dominant or the competitive product list. Provided the changes are not inconsistent with 39 U.S.C. § 3642, subject to editorial corrections, the Commission updates the MCS to coincide with the effective date of the proposed change. 39 C.F.R. § 3020.93.

The Commission finds that the proposed rebranding changes are appropriately filed under 39 C.F.R. §§ 3020.90 and 3020.91, and are consistent with section 3642. Section 3642 requires, among other things, that competitive and market dominant products be properly classified. The rebranding does not affect Express Mail's and Express Mail International's classification as competitive products. Furthermore, the Postal Service's rationale for rebranding, to leverage the Priority Mail brand to reinvigorate Express Mail, is within its operational discretion and does not raise issues under section 3642. Costs associated with the rebranding are deemed product-specific and are to be reported in the Annual Compliance Report.

The Commission accepts the changes and shall make conforming modifications to the draft MCS.

It is ordered:

- 1. The proposed classification changes are in accordance with 39 C.F.R. § 3020.90 *et seq.* and are not inconsistent with 39 U.S.C. § 3642.
- 2. Conforming modifications will be made to the Mail Classification Schedule.

By the Commission.

Shoshana M. Grove Secretary